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May 16, 2002

Mr. Jeff Currier
Borough Manager
Lake and Peninsula Borough
P.O. Box 495
King Salmon, AK 99613

Subject: Borough comments/Southwest Alaska Transportation Plan

Dear Mr. Currier:

Thank you for Lake and Peninsula Borough's letter of March 22. We appreciate the many supportive comments and the specific concerns mentioned for improving the plan.

We will address each of those concerns in the order mentioned in the letter. Briefly, they are:

- Chignik dock information outdated
- Marine Highway System discussion unfavorable to using *Kennicott* in region
- Aviation discussion omits specific methodology (like in Yukon Kuskokwim Plan) for considering airport runway length > 3300 feet
- Design aircraft analysis has limitations
- Essential Air Service not factored into analysis of future trends and needs

Chignik dock information outdated

We will update our discussion to include the Small Boat Harbor, and update the information in the dock discussion to include latest design, permitting and cost estimates from the City of Chignik, based on the November 2001 analysis by Peratrovich, Nottingham, and Drage, Inc.

Marine Highway System discussion unfavorable to using *Kennicott* in region

The assumption on page 8 of the draft regarding *Kennicott* will be dropped from the final plan. It turns out that AMHS officials felt it was unnecessarily restrictive to future scheduling options.

Aviation discussion omits specific methodology (like in Yukon Kuskokwim Plan) for considering airport runway length greater than 3300 feet

This was an oversight in the draft, What the plan will say is that additional runway length can be considered on a case-by-case basis if justification is provided. This justification may include several factors:

- Existing and projected traffic volumes
- Type of aircraft using the airport
- Type of aircraft using the surrounding airports
- Stage length of the flights
- Economic development needs
- Community financial contributions
- Other relevant circumstances

The Yukon-Kuskokwim Transportation Plan was not specific in methodology, either. It discussed considering additional factors such as medevac capability, air delivery of fuel, and cargo airlift requirements in its recommendations for particular airports, but did not suggest a methodology to be employed in scoring those projects by the Aviation Project Evaluation Board, Nor will we suggest a change in the evaluation criteria in the Southwest Alaska Transportation Plan.

The evaluation criteria can be expected to change over time, based on independent variables such as:

- changing FAA standards
- changing technology standards and requirements
- changing maintenance and operation funding needs and availability and the department's sensitivity to these changes
- changing priorities of the new administration
- the impact of potential legislative changes on the industry (such as U.S. Senate Bill S1713)
- changes in U.S. Postal Service Requirements
- changes in the aircraft used by the industry, for example, what happens if high octane leaded fuel becomes unavailable
- changes in the regional economic base

We have not proposed addressing a change in the minimum recommended standards through an update of the Alaska Aviation Systems Plan (AASP). While this could be done, if it is needed, for now we have general industry agreement that 3300' is a good compromise runway length standard. Some cargo only airlines may not necessarily agree with this standard, since they would prefer the option of landing at any airport where someone would like to charter a large cargo aircraft to land.

The additional capital and operating costs of constructing cargo airports are generally significant. Designing an airport to accommodate large cargo aircraft also changes other dimensions in addition to runway length, such as runway width and safety area dimensions. These other dimensional changes are generally much more expensive to construct than the additional runway length. In some cases, upgrading an airport to

handle larger aircraft can also change FAA standards regarding the location of the apron. In general, for larger aircraft, the apron (i.e. parked aircraft, lease lots, and buildings) has to be farther away from the runway. Once the additional surface area is constructed, it needs to be maintained. We estimate the added surface area in expanding a 3300' facility to 4000' would approximately triple existing maintenance costs.

Design aircraft analysis has limitations

We are reviewing the plan's airport analysis and recommendations regarding design aircraft. In particular, we are concerned about the implications of U.S. Senate Bill S 17 13, which if passed will affect Bypass mail and passenger service in Alaska. It may be advantageous to wait until its outcome is certain before closing out the plan. Another concern in a few cases is a recommendation in the draft for designing around older aircraft models such as the Piper PA-3 1 and PA-32. We are now doing a simulation to assess the impacts of S 17 13, i.e. the combined mail and passengers on some of the major routes.

We disagree with the remark in your letter that the analysis "focuses almost exclusively on passenger service." It may appear that way because the aircraft models selected are passenger carriers, but it would be more appropriate to say that the analysis was volume-driven. In fact it was the cargo capacity (mostly for hauling mail) of the aircraft that drove the analysis more than the passenger enplanements.

We do not make the recommendation to design an airport to a higher standard lightly. Our dilemma has always been the appropriateness of designing an airport to the standard necessary for an aircraft that may only use it a few times during the year. While it may save the community some amount in the price of goods, it may cost the state several times that amount in added maintenance and operation costs. Those costs must be taken from some other part of the budget, and may mean closing another community's airport, or delaying an improvement there urgently needed to improve air safety.

In the plan we express support for the idea of expansion based on community preference, but with the caveat that the community should be willing to bear those additional costs of operation that are not supported by the demand analysis. Due to shrinking budgets, we are hard pressed to fulfill maintenance obligations on essential transportation facilities and have no realistic ability to service facilities excessive to basic needs.

Essential Air Service not factored into analysis of future trends and needs

We did not address Essential Air Service (EAS) in the Southwest Plan for three reasons:

- The purpose of EAS falls outside the scope of the area transportation plans. EAS was designed specifically to soften the perceived effects of the Airline Deregulation Act of 1978. Its measures were essentially responses to provide stability in the face of a policy change where the sustainability of commercial air service in some communities was in doubt. As with any federal funding program, EAS is dependent upon the continued backing of Congress. The airline industry has largely weathered

airline deregulation and stabilized in its wake. Consequently, support in Congress for perpetuating EAS continues to wane.

- The runways and airports currently listed under EAS are adequate to meet the essence of the federal EAS law. The need for EAS at individual airports is adequately addressed in the EAS determination prepared by the U.S. Dept of Transportation's (USDOT) Office of Aviation Analysis in 1998. As the previous bullet shows, it is the funding itself (revisited at 6-month intervals) that is in short supply. Its allocation is a function of relatively short-term decisions by air carriers and their application for funds to the USDOT.

- The concern for continued viability of commercial air service in small communities is channeled more appropriately under concerns for the Bypass Mail system, and as mentioned earlier we are analyzing S 17 13 and offering input to the Alaska congressional delegation.

If a community or an air carrier wants a higher level of service provided to an eligible community than the market can support, they can request an EAS subsidy. USDOT reviews the request and may advertise for proposals to provide the service and seek comments on the proposals received. For current information on EAS, including frequently asked questions and a list of subsidized air carriers, we recommend the following website:

http://ostpxweb.dot.gov/aviationlrural/ruralair.htm

Thanks again for your valued input. We look forward to your continued partnership as we move towards implementing the plan

Sincerely,

Eric Taylor
Area Plans Coordinator